

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6091

BILL NUMBER: HB 1012

NOTE PREPARED: Nov 21, 2011

BILL AMENDED:

SUBJECT: Property Tax Information Provided Electronically.

FIRST AUTHOR: Rep. Lehman

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: Local

Summary of Legislation: This bill specifies that a county may provide electronic mail notices of property tax information that require the recipient to use an Internet link to obtain the information.

Effective Date: July 1, 2012.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: Under current law, a county has the option of transmitting property tax bills to taxpayers by electronic mail. This bill would permit a county to transmit a link to the tax bill rather than the tax bill itself (electronic billing).

This provision gives counties an added tool to serve their customers. Allen County has already implemented electronic billing, and Marion County has received approval to do so. Officials in both counties indicated that it would be more cost-effective to provide a link to the tax bill rather than transmitting the statement via email.

The fiscal impact of this bill would depend on local action. Implementation costs include an initial cost for programming changes, and ongoing operating costs for software support. The amount of potential savings would depend on the number of taxpayers who would ultimately choose this option to receive their tax bills.

Background Information: Allen County officials estimate the development cost of the electronic billing

software at approximately \$16,000. For the first billing cycle in 2011, a little over 3,000 bills (out of a total of about 180,000) were transmitted using the system for a total cost savings of approximately \$2,300 (or \$0.78 per tax bill).

Currently, the Marion County Treasurer's office will transmit a tax bill via email to the taxpayer at the taxpayer's request. To implement electronic billing, the office estimates that the initial set up would cost approximately \$16,000 with an annual recurring fee of approximately \$4,250 for software support. Once fully implemented, the system is expected to produce a net savings of about \$18,000 a year (about \$0.54 per tax bill). This assumes that approximately 9% of the taxpayers (about 33,400) would eventually choose electronic billing.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: County treasurers.

Information Sources: Cindy Land, Administrative Deputy, Marion County, 317-327-4038; Susan Orth, Allen County Treasurer, 260-449-7693.

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